

## III.B. Technical Advisors

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### Introduction

The Industry Specialization Program (ISP) was created in 1979 to provide for the identification, development and coordination of issues to insure uniform and consistent treatment nationwide. This concept was expanded to include international issues with the creation of the International Field Assistance Specialization Program (IFASP).

As a result of the recent IRS reorganization, Industry and Issue Specialists were consolidated into a new position called Technical Advisor (TA) who reports to the Pre-filing & Technical Guidance Director. TAs are located in the field at various PODs. IFASPs were renamed International Technical Advisors and they are also located at various PODs.

Technical Advisors may be assigned to specific industries or specific issues. They coordinate examination activity in the various industries and provide examination teams with specialized guidance on issues. Representatives from Area Counsel, Appeals, and the National Office are also assigned to each TA team to provide specialized support.

One group of Technical Advisors is specifically assigned to tax shelter issues and report to a “Manager of Technical Advisors.” However, in the conduct of their duties, these TAs may cross industry lines, because tax shelters are not restricted to any one industry.

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### Tax Shelter Technical Advisors

[Exhibit A](#) at the end of this chapter is the contact list of TAs for listed transactions.

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### III.B. Technical Advisors, Continued

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**Role** Technical Advisors of tax shelter issues serve as advisors and consultants to field agents examining tax shelter issues. They play a key role in coordination to ensure consistent treatment nationwide.

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**COLI** A Technical Advisor for COLI transactions, George Imwalle, is available to assist field Examination teams identify and develop the COLI issue. The involvement of the Technical Advisor is imperative to ensure consistency, fairness, and quality in developing the issue.

As a result of the recent U.S. District Court decision in *American Electric Power* case, disallowing the interest expense deductions on COLI policy loans, a number of taxpayers and their representatives have approached LMSB about settlement of the COLI issue. In order to ensure consistent and fair settlement of this issue on an expedited basis, taxpayers should be encouraged to use the Appeals early referral procedures contained in [Rev. Proc. 99-28](#).

In addition to the No Pay COLI plans, a significant number of taxpayers purchased Four-Pay COLI Policy plans, which normally do not feature some of the abusive features found in No-Pay COLI Plans. In order to ensure that IRS only pursues potentially abusive COLI Policy plans, field examination teams must contact George Imwalle before pursuing the COLI issue.

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<b>COLI Contacts</b>	George Imwalle	Technical Advisor	(513) 263-3795
	Jerry Long	Technical Advisor	(317) 889-2681
	Larry Kuhlmann	Assistant Technical Advisor	(513) 263-3844
	Joy L. Waters	Program Assistant	(513) 263-3864

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Feb 21, 2001 (Updated 07/15/02)

MEMORANDUM FOR INDUSTRY DIRECTORS, DIRECTORS, FIELD  
OPERATIONS (ALL INDUSTRIES), AND DIRECTOR, FIELD  
SPECIALISTS

FROM: Frank Y. Ng /s/*Frank Y. Ng*  
Director, Pre-Filing and Technical Guidance

SUBJECT: Contact List for Assistance on Listed Transactions  
Identified as Potential Abusive Tax Shelters

The IRS has issued notices that identify “listed transactions” as potential abusive tax shelters. Attached is a summary of the listed transactions with names of contact persons. It is important that all listed transactions identified during the examination process be pursued and developed to ensure Service-wide consistency, fairness and quality in the development of the tax shelter issue.

To assist your field examiners, technical/issue advisors and other LMSB managers have been designated as the primary contact for coordination of specific “listed transactions.” The role of these contacts is to assist field examination teams in the identification, development, and resolution of the issue.

If you have any questions, please contact me at 202-283-8461 (e-mail at [Frank.Ng@irs.gov](mailto:Frank.Ng@irs.gov)), or David G. Harris, Manager, Office of Tax Shelter Analysis (OTSA), at (202) 283-8386 (e-mail at [David.G.Harris@irs.gov](mailto:David.G.Harris@irs.gov)).

## Attachments

cc: Chief, Office of Appeals  
Director, Compliance, Small Business/Self-Employed Division  
Director, Taxpayer Education & Communications, Small Business/  
Self-Employed Division  
Director, Employee Plans, Tax Exempt & Government Entities Division

LM:PFT:OTSA/Dharris/3-8368/jma/2-20-01 Doc Revised Memo1.doc

**Contact List For Listed Transactions Identified as Potential Abusive Tax Shelters**  
**See Notice 2001-51, 2001-34 I.R.B.190**

Transactions and Citation	Contact
<p><b>Rev. Rul. 90-105</b>, 1990-2 C.B.69:  Deductions for contributions to a qualified cash or deferral arrangement or matching contributions to a defined contribution plan where the contributions are attributable to compensation earned by plan participants after the end of the taxable year.</p>	<p>Michael Berue, Technical Advisor  Tel: (716) 961-5082  E-Mail: <a href="mailto:Michael.M.Berue@irs.gov">Michael.M.Berue@irs.gov</a></p> <p><i>Carol McClure, Lead Counsel</i>  Tel: (281) 721-7300</p> <p><i>James Cascino, Associate Counsel</i>  Tel: (312) 886-9225 x 338</p>
<p><b>Notice 95-34</b>, 1995-1, C.B. 309: Certain trust arrangements purported to qualify as multiple employer welfare benefit funds exempt from the limits of sections 419 and 419A.</p>	<p>John Marien, Technical Advisor  VEBA  Tel: (716) 961-5071  E-Mail: <a href="mailto:John.L.Marien@irs.gov">John.L.Marien@irs.gov</a></p> <p><i>Randall Andreozzi, Lead Counsel</i>  Tel: (716) 551-5610</p>
<p><b>Notice 95-53</b>, 1995-2, C.B. 334: Certain multiple-party transactions intended to allow one party to realize rental or other income from property or service contracts and to allow another party to report deductions related to that income. (Referred to as lease strips.)</p>	<p>Vincent Papallo, Technical Advisor  Leasing Promotions  Tel: (203) 792-3962  Email: <a href="mailto:vincent.a.papallo@irs.gov">vincent.a.papallo@irs.gov</a></p> <p><i>Halvor Adams, Lead Counsel</i>  Tel: (516) 688-1737</p>
<p><b>Notice 98-5 (Part II)</b>, 1998-1 C.B. 334: Transactions in which the reasonably expected economic profit is insubstantial in comparison to the value of the expected foreign tax credits. (One type is the ADR transaction.)</p>	<p>Judy Bulat, Technical Advisor  Financial Products  TEL: 773-284-4743  E-Mail: <a href="mailto:Judith.M.Bulat@irs.gov">Judith.M.Bulat@irs.gov</a></p> <p><i>Rose Gole, Lead Counsel</i>  Tel: (516) 688-1739</p> <p><i>Tom Kerrigan, Associate Counsel</i>  Tel: (516) 688-1742</p>

<p><b>ASA Investorings Partnership and ACM Partnership:</b> Transactions substantially similar to those at issue in the two court cases, ASA and ACM (transactions involving contingent installment sales of securities by partnerships in order to accelerate and allocate income to a tax-indifferent partner, such as a tax-exempt entity or foreign person, and to allocate later losses to another partner. (Also referred to as CINs transactions.)</p>	<p>Anthony Russo Territory Manager, LM:HMCT Tel: (732) 819-3752 x 306 E-Mail: <a href="mailto:Anthony.W.Russo@irs.gov">Anthony.W.Russo@irs.gov</a></p>
<p><b>Treas. Reg. § 1.643(a)-8:</b> Transactions involving distributions described in section 1.643(a)-8 from charitable remainder trusts. (Often referred to as chutzpah trusts.)</p>	<p>Scott Emerson Issue Specialist – Trusts Tel: (865) 545-4450 x 231 E-Mail: <a href="mailto:Scott.Emerson@irs.gov">Scott.Emerson@irs.gov</a></p> <p style="text-align: center;"><b>Or</b></p> <p>Mark Seneff Specialist – Charitable Trusts Tel: (208) 523-5655 x 225 E-Mail: <a href="mailto:Mark.Seneff@irs.gov">Mark.Seneff@irs.gov</a></p>
<p><b>Rev. Rul. 99-14, 1999-1 C.B. 835:</b> Transactions in which a taxpayer purports to lease property and then purports to immediately sublease it back to the lessor. (Referred to as lease-in/lease-out or LILO transactions.)</p>	<p>Cary Allen, Technical Advisor Leasing Technical Tel: (704) 566-5216 E-Mail: <a href="mailto:Cary.D.Allen@irs.gov">Cary.D.Allen@irs.gov</a></p> <p style="text-align: center;"><b>Or</b></p> <p>Pat Autry, Technical Advisor Leasing Technical Tel: (704) 566-5363 E-Mail: <a href="mailto:patricia.j.autry@irs.gov">patricia.j.autry@irs.gov</a></p> <p><i>Diane Mirabito, Lead Counsel Tel: (516) 688-1744 Thomas Kerrigan, Associate Counsel Tel: (516) 688-1742</i></p>

<p><b>Notice 99-59</b>, 1999-2 C.B. 761: Transactions involving the distribution of encumbered property in which taxpayers claim tax losses for capital outlays that they have in fact recovered. (Often referred to as BOSS transactions.)</p>	<p>Rod Oakes, Technical Advisor Partnerships Tel: (763) 549-1020 x 326 E-Mail: <a href="mailto:Rodney.E.Oakes@irs.gov">Rodney.E.Oakes@irs.gov</a></p> <p><i>Sheila Harvey, Lead Counsel</i> Tel: (281) 721-7300 <i>Rick Hosler, Associate Counsel</i> Tel: (602) 207-8056</p>
<p><b>Treas. Reg. § 1.7701(l)-3</b>: Transactions involving fast-pay arrangements as defined in § 1.7701(l)-3(b). (Also referred to as step-down preferred transactions.)</p>	<p>Judy Bulat, Technical Advisor Financial Products TEL: (773) 284-4743 E-Mail: <a href="mailto:Judith.M.Bulat@irs.gov">Judith.M.Bulat@irs.gov</a></p> <p><i>Rose Gole, Lead Counsel</i> Tel: (516) 688-1739 <i>Tom Kerrigan, Associate Counsel</i> Tel: (516) 688-1742</p>
<p><b>Rev. Rul. 2000-12</b>, 2000-11 I.R.B. 744: Certain transactions involving the acquisition of two debt instruments the values of which are expected to change significantly at about the same time in opposite directions. (Often referred to as debt straddles or bull/bear bonds.)</p>	<p>Earnest Griffin, Technical Advisor Financial Products Tel: (713) 209-3627 E-Mail: <a href="mailto:Earnest.Griffin@irs.gov">Earnest.Griffin@irs.gov</a></p> <p><i>Rose Gole, Lead Counsel</i> Tel: (516) 688-1739 <i>Tom Kerrigan, Associate Counsel</i> Tel: (516) 688-1742</p>
<p><b>Notice 2000-44</b>, 2000-36 I.R.B. 255: Transactions involving partnership interests that create artificially high basis in partnership interests that result in deductible losses on the later disposition of the partnership interests by the partners. (Often referred to as Son of BOSS or Baby BOSS transactions.)</p>	<p>Rod Oakes, Technical Advisor Partnerships Tel: (763) 549-1020 x 326 E-Mail: <a href="mailto:Rodney.E.Oakes@irs.gov">Rodney.E.Oakes@irs.gov</a></p> <p><i>Sheila Harvey, Lead Counsel</i> Tel: (281) 721-7300 <i>Rick Hosler, Associate Counsel</i> Tel: (602) 207-8056</p>

<p><b>Notice 2000-60</b>, 2000-49 I.R.B. 568: Parent and unrelated company transfer cash to subsidiary of parent. Unrelated company receives preferred stock of sub. After transfer, parent owns less than 80% of sub. Sub purchases parent stock. From time to time, sub transfers parent stock to parent employees to cover parent’s stock-based compensation obligations. Sub and parent treat the transfer as capital contributions to parent (§118), and deductible expenses paid by parent. <u>See</u> §1.83-6(d). Sub’s basis in transferred stock shifts to remaining parent stock held by sub. Parent claims a capital loss on disposition of sub stock. (Referred to as a stock compensation transaction.)</p>	<p>Barry Cooper, Technical Advisor Mergers &amp; Acquisitions Tel: (212) 719-6438 E-Mail: <a href="mailto:Barry.N.Cooper@irs.gov">Barry.N.Cooper@irs.gov</a></p> <p><i>Larry Davidow, Lead Counsel</i> Tel: (212) 264-5437 X 421 <i>Michael Wilder, Associate Counsel</i> Tel: (212) 264-1595 X 226</p>
<p><b>Notice 2000-61</b>, 2000-49 I.R.B. 569: Transactions where claims are made that section 935 applies to a trust seeking to avoid both the U.S. and Guamanian tax liability. (Often referred to as Guam Resident Trust.)</p>	<p>Alan Ford, Associate Technical Advisor Offshore Compliance Tel: (512) 464-3345 E-Mail: <a href="mailto:Alan.W.Ford@irs.gov">Alan.W.Ford@irs.gov</a></p> <p><i>Andrew Titkin, Lead Counsel</i> Tel: (305) 982-5321 <i>Sergio Garcia-Pages, Associate Counsel</i> Tel: (305) 982-5315</p>
<p><b>Notice 2001-16</b>, 2001-09 I.R.B. 730: Transaction involving a shareholder who wants to sell stock of target, an intermediary corporation, and a buyer who wants to purchase the (appreciated) assets, but not the stock, of target. Shareholder sells its target stock to intermediary. Intermediate sells target’s assets to buyer. Intermediate may be an entity not subject to tax; it may be part of a consolidated group with losses (or credits) from another member that offset the gains from the sale of the assets; or it may have acquired loss property that it uses to offset the gains from the sale of the assets. (Referred to as intermediary transactions.)</p>	<p>Vincent Papallo, Technical Advisor Leasing Promotions Tel: (203) 792-3962 Email: <a href="mailto:vincent.a.papallo@irs.gov">vincent.a.papallo@irs.gov</a></p> <p><i>Halvor Adams, Lead Counsel</i> Tel: (516) 688-1737</p>

<p><b>Notice 2001-17</b>, 1-18-2001, 2001-09 I.R.B. 730: Transactions involving a tax-free exchange under section 351 with contingent liabilities as part of the transfer. (Referred to as contingent liability transactions.)</p>	<p>Diane Camper, Technical Advisor 351 Contingent Liabilities Transactions Tel: (419) 259-7421 E-Mail: <a href="mailto:diane.l.camper@irs.gov">diane.l.camper@irs.gov</a></p> <p><i>Rose Gole, Lead Counsel</i> Tel: (516) 688-1739 <i>Halvor Adams, Associate Counsel</i> Tel: (516) 688-1737</p>
<p><b>Notice 2001-45</b>, 2001-33 I.R.B. 129: (<i>IRC §§ 302 and 318 Basis Shift</i>). Taxpayer acquires stock options to purchase more than 50% the stock in a foreign corporation (“FC”), making taxpayer and FC related for tax purposes (§ 318). Taxpayer and FC acquire stock in second corporation (“SC”). SC redeems its stock held by FC. FC &amp; taxpayer treat the redemption as a dividend because of the relation between FC &amp; taxpayer (§ 302). Taxpayer increases its basis in SC stock by the amount of FC’s basis in SC stock. Taxpayer then sells its SC stock and claims a capital loss. (Often referred to as Offshore Portfolio Investment Strategy (OPIS) transactions.)</p>	<p>Earnest Griffin, Technical Advisor Financial Products Tel: (713) 209-3627 E-Mail: <a href="mailto:Earnest.Griffin@irs.gov">Earnest.Griffin@irs.gov</a></p> <p><i>Tom Kerrigan, Lead Counsel</i> Tel: (516) 688-1742</p>
<p><b>Notice 2002-21</b>, 2002-14 I.R.B 730– April 8, 2002. Transaction involving the use of a loan assumption agreement to claim an inflated basis in assets acquired from another party.</p>	<p>Howard Gantz, Technical Advisor Tel: (312) 566-2001 x 9638 e-mail: <a href="mailto:Howard.I.Gantz@irs.gov">Howard.I.Gantz@irs.gov</a></p> <p><i>Tom Kerrigan, Lead Counsel</i> Tel: (516) 688-1742</p>
<p><b>Notice 2002-35</b>, 2002-21 I.R.B.992. Transaction involving the use of a Notional Principal Contract to claim current deductions for periodic payments, while disregarding the accrual of a right to receive offsetting payments in the future.</p>	<p>Howard Gantz, Technical Advisor Tel: (312) 566-2001 x 9638 e-mail: <a href="mailto:Howard.I.Gantz@irs.gov">Howard.I.Gantz@irs.gov</a></p> <p><i>Ted Leighton, Lead Counsel</i> Tel: (516) 688-1744</p>

<p><b>Rev.Rul. 2002-46, 2002-29 I.R.B.1</b> - transaction identifying as substantially similar to Rev.Rul. 90-105 a transaction in which a taxpayer makes contributions to a qualified cash or deferred arrangement under § 401(k) or a defined contribution plan as matching contributions under § 401(m), and the contributions are designated as satisfying a liability established before the end of the taxable year, but are attributable to compensation earned by plan participants after the end of that taxable year. <b>See Notice 2002-48, 2002-29, I.R.B.1</b> (July 22, 2002) for certain variations to Rev.Rul. 90-105 that are not listed transactions.</p>	<p>Michael Berue, Technical Advisor  Tel: (716) 961-5082  E-Mail: <a href="mailto:Michael.M.Berue@irs.gov">Michael.M.Berue@irs.gov</a></p>
<p><b>Notice 2002-50, 2002-28, I.R.B.1</b> – transactions involving economic straddles within a tiered partnership structure, and a transitory partner to allocate income tax deductions to the taxpayer – often referred to as the Partnership Straddle Tax Shelter.</p>	<p>Rod Oakes, Technical Advisor  Partnerships  Tel: (763) 549-1020 x 326  E-Mail: <a href="mailto:Rodney.E.Oakes@irs.gov">Rodney.E.Oakes@irs.gov</a></p>